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Review of the efficiency of the administrative and financial functioning of the United Nations

Proposed programme budget outline for the biennium 2002-2003

Report of the Secretary-General**

I. Introduction

1. In accordance with the provisions of annex I to General Assembly resolution 41/213 of 19 December 1986, the Secretary-General submits, in off-budget years, an outline of the programme budget for the following biennium, which should contain an indication of the following:

(a) Preliminary estimate of resources to accommodate the proposed programme of activities during the biennium;

(b) Priorities, reflecting general trends of a broad sectoral nature;

(c) Real growth, positive or negative, compared with the previous budget;

(d) Size of the contingency fund expressed as a percentage of the overall level of resources.

The outline for the biennium 2002-2003 is hereby submitted.

II. Preliminary estimate of resources needed to accommodate the proposed programme of activities during the biennium

2. In establishing a preliminary estimate of resources for the biennium 2002-2003, the current level of appropriations, namely, $2,535.7 million, was taken as the

* A/55/150.

** In accordance with rule 103.1 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, an outline of the proposed programme budget shall be submitted to the General Assembly by 15 August of the off-budget year.

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starting point. The preliminary estimate, expressed in 2000-2001 prices amounts to $2,475.4 million, and has been arrived at as follows:

	Millions of United States dollars
Appropriations for 2000-2001	2 535.7
Plus: Full provisions for new posts approved in 2000-2001 (para. 3)	13.2
Less: One-time costs in 2000-2001 (para. 4)	(13.4)
Plus: Provision for new or expanded activities/events foreseen and/or mandated in 2002-2003 (para. 5)	30.1
Total preliminary estimate for 2002-2003 (para. 6)	**2 565.8**
Less: Political missions mandated only for 2000-2001 (para. 7)	(90.4)
Grand total preliminary indicative estimate for 2002-2003, at 2000-2001 prices	**2 475.4**

3. It will be recalled that for the programme budget for the biennium 2000-2001, the General Assembly decided, on the recommendation of the Advisory Committee on Administrative and Budgetary Questions, that provisions for new posts at the Professional level and above should be costed at 50 per cent. In addition, a number of posts approved for the installation, operation, support and maintenance of the Integrated Management Information System (IMIS) at offices away from Headquarters were funded for only the latter part of the biennium. The full biennial provision in 2002-2003 for those posts that are partially funded in the current biennium would require an additional $13.2 million.

4. One-time costs in 2000-2001 amounting to $13.4 million would not be required. Those provisions relate mainly to the secretariat of the Millennium Assembly; the special sessions of the General Assembly and related plenary meetings on the review and appraisal of the outcome of the World Summit for Social Development, the Fourth World Conference on Women and the implementation of the Habitat Agenda; the World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance; the Third United Nations Conference on the Least Developed Countries; the Tenth United Nations Congress on the Prevention of Crime and the Treatment of Offenders; the tenth session of the United Nations Conference on Trade and Development; the United Nations Conference on the Illicit Trade in Small Arms and Light Weapons; and the costs of the final phase of the development of IMIS.

5. During 2002-2003, implementation of the international arrangements on forests, General Assembly resolution S-19/2 of 28 June 1997 on the Programme for the Further Implementation of Agenda 21 and the convening of an extraordinary session of the United Nations Environment Programme Governing Council to follow up on Assembly resolution 53/242 of 28 July 1999 are foreseen. In addition, continued reinforcement is envisaged of the United Nations Office at Nairobi, conference-servicing, peace-building and electoral assistance, human rights and humanitarian assistance, economic and social sectors and the International Court of Justice. As a result of the strengthening of these areas, projected requirements amounting to $30.1 million are foreseen as new resource needs for 2002-2003.

6. During the budget preparation period, the Secretary-General will continue to critically scrutinize the level of resources required for 2002-2003. He will reflect in his budget submission the benefit of further reviews of possible obsolete activities, additional cost-effective measures and simplified procedures.

7. Regarding provisions for special political missions, it will be recalled that the General Assembly authorized some $90.4 million to be available in the biennium 2000-2001 to provide funding for such missions as might be authorized by the Assembly and the Security Council. While the full provision of $90.4 million could have been maintained in the outline on the same understanding used for the 2000-2001 programme budget, in the light of the ongoing review of the recommendations to the Secretary-General arising from the report of the panel on United Nations peace operations, no provision has yet been made for special political missions nor for the implementation of the panel's recommendations. At the same time, no provision has been made for strengthening the security and safety of United Nations system personnel. It is intended that a separate comprehensive plan on that question will be submitted to the Assembly in due course. Bearing in mind the in-depth nature of the recommendations of the panel and the significance that their acceptance could have on the budget outline, the Secretary-General believes that it would be best to revert to these issues and their effects on the outline later in the fifty-fifth session when the relevant reports are available.

8. The annex to the present report provides preliminary indicative estimates of resources distributed among the various parts of the programme budget.

9. The Secretary-General intends to maximize the output effectiveness of the resources committed. The proposed programme budget for the biennium 2002-2003 will be subjected to the most intensive internal review within the Secretariat, and will clearly focus on what is to be delivered by way of the accomplishments expected of the programme with the resources committed.

III. Priorities reflecting general trends of a broad sectoral nature

10. In the medium-term plan for the period 2002-2005 (A/55/6), the following priorities have been proposed: maintenance of international peace and security; promotion of sustained economic growth and sustainable development in accordance with relevant General Assembly resolutions and recent United Nations conferences; development of Africa; promotion of human rights; effective coordination of humanitarian assistance efforts; promotion of justice and international law; disarmament; and drug control, crime prevention and combating international terrorism in all its forms and manifestations. It is proposed that the programme budget for the biennium 2002-2003 also manifest these priorities.

IV. Real growth compared with the previous budget

11. The preliminary estimate before adjustment for the non-inclusion of special political missions represents an increase of $30.1 million, or 1.2 per cent compared with the initial appropriation for the biennium 2000-2001. Once account is taken of the non-inclusion of the provision for special political missions, the total

preliminary estimate would represent a decrease of $60.3 million, or 2.4 per cent compared with the initial appropriation for the biennium 2000-2001.

V. Size of the contingency fund

12. The size of the contingency fund was set at 0.75 per cent of the overall level of resources for the first outline and for all subsequent ones. It is therefore recommended that the level be set at $18.6 million for the biennium 2002-2003.

Annex

Preliminary indicative estimates for the biennium 2002-2003

(Millions of United States dollars)

	Expenditure by part of programme budget	*2000-2001 appropriation*	*Resource change*		*Total*
			Amount	*Percentage*	
I.	Overall policy-making, direction and coordination	473.6	4.1	0.8	477.8
II.	Political affairs	231.6	4.7	2.0	236.3
III.	International justice and law	55.4	1.8	3.2	57.1
IV.	International cooperation for development	268.8	7.2	2.7	276.0
V.	Regional cooperation for development	347.2	4.3	1.2	351.6
VI.	Human rights and humanitarian affairs	123.6	4.7	3.8	128.3
VII.	Public information	143.6	(2.5)	(1.8)	141.1
VIII.	Common support services	441.9	5.0	1.1	446.9
IX.	Internal oversight	19.2	0.6	3.2	19.8
X.	Jointly financed administrative activities and special expenses	60.8	-	-	60.8
XI.	Capital expenditures	42.6	(2.8)	(6.7)	39.8
XII.	Staff assessment	314.3	2.9	1.0	317.2
XIII.	Development Account	13.1	-	-	13.1
	Subtotal	**2 535.7**	**30.1**	**1.2**	**2 565.8**
	Less: Political missions mandated only for 2000-2001				(90.4)
	Total preliminary indicative estimate				**2 475.4**